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By: **Delegates Malone and Moe**

Introduced and read first time: February 1, 2001

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Reemployment of Retired**  
3 **Personnel**

4 FOR the purpose of exempting from a certain offset of a retirement allowance certain  
5 retirees of the Teachers' Retirement System or the Teachers' Pension System  
6 who are employed in certain personnel positions under certain circumstances;  
7 requiring the county boards of education to provide certain information to the  
8 State Retirement Agency; and generally relating to the reemployment of retirees  
9 of the Teachers' Retirement System or the Teachers' Pension System who serve  
10 in certain personnel positions.

11 BY repealing and reenacting, with amendments,  
12 Article - State Personnel and Pensions  
13 Section 22-406 and 23-407  
14 Annotated Code of Maryland  
15 (1997 Replacement Volume and 2000 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Personnel and Pensions**

19 22-406.

20 (a) Subject to subsection (b) of this section, an individual who is receiving a  
21 service retirement allowance or vested allowance may accept employment with a  
22 participating employer on a permanent, temporary, or contractual basis, without any  
23 reduction in the allowance, if the individual immediately notifies the Board of  
24 Trustees:

25 (1) of the individual's intention to accept the employment; and

26 (2) of the compensation that the individual will receive.

27 (b) (1) This subsection does not apply to:

- 1 (i) an individual who has been retired for more than 10 years;
- 2 (ii) an individual whose average final compensation was less than  
3 \$10,000 and who is reemployed on a temporary or contractual basis;
- 4 (iii) an individual who is serving in an elected position as an official  
5 of a participating governmental unit or as a constitutional officer for a county that is  
6 a participating governmental unit;
- 7 (iv) a retiree of the Teachers' Retirement System:
- 8 1. who retired and was reemployed by a participating  
9 employer other than the State on or before September 30, 1994; and
- 10 2. whose employment compensation does not derive, in whole  
11 or in part, from State funds;
- 12 (v) a retiree of the Teachers' Retirement System who:
- 13 1. is or has been certified to teach in the State;
- 14 2. has verification of satisfactory or better performance in  
15 the last assignment prior to retirement;
- 16 3. based on the retired teacher's qualifications, has been  
17 appointed in accordance with § 4-103 of the Education Article;
- 18 4. A. retired with a normal service retirement allowance  
19 under § 22-401 of this article; or
- 20 B. retired with an early service retirement allowance under §  
21 22-402 of this article and has been retired for at least 12 months;
- 22 5. subject to item 6 of this item is employed as:
- 23 A. a substitute classroom teacher or substitute teacher  
24 mentor in a public school that has been recommended for reconstitution, or has been  
25 reconstituted, by the State Board of Education, until the public school meets the  
26 standards for school performance set by the State Board of Education;
- 27 B. a classroom teacher or teacher mentor in a public school  
28 that has been recommended for reconstitution, or has been reconstituted, by the State  
29 Board of Education, until the public school meets the standards for school  
30 performance set by the State Board of Education;
- 31 C. a classroom teacher or teacher mentor in a county or  
32 subject area on a statewide basis in which the State Board of Education finds that  
33 there is a shortage of teachers, until the State Board of Education finds the shortage  
34 no longer exists in that county or subject area on a statewide basis; or

1 D. a substitute classroom teacher or substitute teacher  
2 mentor in a county or subject area on a statewide basis in which the State Board of  
3 Education finds that there is a shortage of teachers, until the State Board of  
4 Education finds the shortage no longer exists in that county or subject area on a  
5 statewide basis; and

6 6. receives verification of satisfactory or better performance  
7 each year the teacher is employed under item 5 of this item;

8 (vi) a retiree of the Teachers' Retirement System who:

9 1. A. was employed as a principal within 5 years of  
10 retirement; OR

11 B. WAS EMPLOYED AS A PRINCIPAL MORE THAN 5 YEARS  
12 BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING  
13 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

14 2. has verification of better than satisfactory performance in  
15 the last assignment as a principal AND, IF APPLICABLE, IN A POSITION SUPERVISING  
16 PRINCIPALS prior to retirement;

17 3. based on the retiree's qualifications, has been hired as a  
18 principal;

19 4. A. retired with a normal service retirement allowance  
20 under § 22-401 of this subtitle; or

21 B. retired with an early service retirement allowance under §  
22 22-402 of this subtitle and has been retired for at least 12 months;

23 5. receives verification of better than satisfactory  
24 performance each year the retiree is employed as a principal under item 3 of this  
25 item; and

26 6. is not employed as a principal under item 3 of this item for  
27 more than 4 years; or

28 (vii) a retiree of the Teachers' Retirement System:

29 1. who retired from a board of education or local school  
30 system; and

31 2. who is reemployed in a part-time position with the  
32 University System of Maryland.

33 (2) The Board of Trustees shall reduce an individual's allowance:

34 (i) by the amount that the sum of the individual's initial annual  
35 basic allowance and the individual's annual compensation exceeds the average final  
36 compensation used to compute the basic allowance; or

1 (ii) for a retiree who retired under the Workforce Reduction Act  
2 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual  
3 compensation and the retiree's annual basic allowance at the time of retirement,  
4 including the incentive provided by the Workforce Reduction Act, exceeds the average  
5 final compensation used to compute the basic allowance.

6 (c) An individual who is receiving a service retirement allowance or a vested  
7 allowance and who is reemployed by a participating employer may not receive  
8 creditable service or eligibility service during the period of reemployment.

9 (d) The individual's compensation during the period of reemployment may not  
10 be subject to the employer pickup provisions of § 21-303 of this article or any  
11 reduction or deduction as a member contribution for pension or retirement purposes.

12 (e) The State Retirement Agency shall institute appropriate reporting  
13 procedures with the affected payroll systems to ensure compliance with this section.

14 (f) (1) Immediately on the employment of any individual receiving a service  
15 retirement allowance or a vested allowance, a participating employer shall notify the  
16 State Retirement Agency of the type of employment and the anticipated earnings of  
17 the individual.

18 (2) At least once each year, in a format specified by the State Retirement  
19 Agency, each participating employer shall provide the State Retirement Agency with  
20 a list of all employees included on any payroll of the employer, the Social Security  
21 numbers of the employees, and their earnings for that year.

22 (g) The county boards of education shall notify the State Retirement Agency of  
23 any retired teachers who qualify under subsection (b)(1)(v) of this section or any  
24 personnel who qualify under subsection (b)(1)(vi) of this section.

25 (h) The State Board of Education shall notify the county boards of education  
26 of:

27 (1) any public school that is recommended for reconstitution or has been  
28 reconstituted;

29 (2) any public school that is no longer recommended for reconstitution or  
30 is otherwise found to meet the standards for school performance set by the State  
31 Board of Education after reconstitution or a recommendation for reconstitution;

32 (3) any county or subject area on a statewide basis in which the State  
33 Board of Education finds there is a shortage of teachers; and

34 (4) a finding that there is no longer a shortage of teachers in a county or  
35 subject area on a statewide basis.

36 (i) In addition to any regulations adopted in accordance with § 6-202 of the  
37 Education Article, the State Board of Education shall adopt regulations concerning

1 the employment terms of retired teachers and personnel described in subsection  
2 (b)(1)(vi) of this section.

3 (J) IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A  
4 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION  
5 (B)(1)(VI) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR  
6 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR  
7 AND A PRINCIPAL.

8 23-407.

9 (a) Subject to subsection (b) of this section, an individual who is receiving a  
10 service retirement allowance or a vested allowance may accept employment with a  
11 participating employer on a permanent, temporary, or contractual basis, without any  
12 reduction in the allowance, if:

13 (1) the individual immediately notifies the Board of Trustees of the  
14 individual's intention to accept this employment; and

15 (2) the individual specifies the compensation to be received.

16 (b) (1) This subsection does not apply to:

17 (i) an individual whose average final compensation was less than  
18 \$10,000 and who is reemployed on a temporary or contractual basis;

19 (ii) an individual who is serving in an elected position as an official  
20 of a participating governmental unit or as a constitutional officer for a county that is  
21 a participating governmental unit;

22 (iii) a retiree of the Teachers' Pension System who:

23 1. is or has been certified to teach in the State;

24 2. has verification of satisfactory or better performance in  
25 the last assignment prior to retirement;

26 3. based on the retired teacher's qualifications, has been  
27 appointed in accordance with § 4-103 of the Education Article;

28 4. A. retired with a normal service retirement allowance  
29 under § 23-401 of this article; or

30 B. retired with an early service retirement allowance under §  
31 23-402 of this article and has been retired for at least 12 months;

32 5. subject to item 6 of this item is employed as:

33 A. a substitute classroom teacher or substitute teacher  
34 mentor in a public school that has been recommended for reconstitution, or has been

1 reconstituted, by the State Board of Education, until the public school meets the  
2 standards for school performance set by the State Board of Education;

3                                   B.           a classroom teacher or teacher mentor in a public school  
4 that has been recommended for reconstitution, or has been reconstituted, by the State  
5 Board of Education, until the public school meets the standards for school  
6 performance set by the State Board of Education;

7                                   C.           a classroom teacher or teacher mentor in a county or  
8 subject area on a statewide basis in which the State Board of Education finds that  
9 there is a shortage of teachers, until the State Board of Education finds the shortage  
10 no longer exists in that county or subject area on a statewide basis; or

11                                  D.           a substitute classroom teacher or substitute teacher  
12 mentor in a county or subject area on a statewide basis in which the State Board of  
13 Education finds that there is a shortage of teachers, until the State Board of  
14 Education finds the shortage no longer exists in that county or subject area on a  
15 statewide basis; and

16                                  6.           receives verification of satisfactory or better performance  
17 each year the teacher is employed under item 5 of this item; or

18                                  (iv)          a retiree of the Teachers' Pension System who:

19   1.           A.           was employed as a principal within 5 years of  
20 retirement; OR

21   B.           WAS EMPLOYED AS A PRINCIPAL MORE THAN 5 YEARS  
22 BEFORE RETIREMENT AND WAS EMPLOYED IN A POSITION SUPERVISING  
23 PRINCIPALS IN THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT;

24   2.           has verification of better than satisfactory performance in  
25 the last assignment as a principal AND, IF APPLICABLE, IN A POSITION SUPERVISING  
26 PRINCIPALS prior to retirement;

27   3.           based on the retiree's qualifications, has been hired as a  
28 principal;

29   4.           A.           retired with a normal service retirement allowance  
30 under § 23-401 of this subtitle; or

31   B.           retired with an early service retirement allowance under §  
32 23-402 of this subtitle and has been retired for at least 12 months;

33   5.           receives verification of better than satisfactory  
34 performance each year the retiree is employed as a principal under item 3 of this  
35 item; and

36   6.           is not employed as a principal under item 3 of this item for  
37 more than 4 years.

1                   (2)     The Board of Trustees shall reduce an individual's allowance:

2                             (i)       by the amount that the sum of the individual's initial annual  
3 basic allowance and the individual's annual compensation exceeds the average final  
4 compensation used to compute the basic allowance; or

5                             (ii)      for a retiree who retired under the Workforce Reduction Act  
6 (Chapter 353 of the Acts of 1996), by the amount that the sum of the retiree's annual  
7 compensation and the retiree's annual basic allowance at the time of retirement,  
8 including the incentive provided by the Workforce Reduction Act, exceeds the average  
9 final compensation used to compute the basic allowance.

10           (c)     An individual who is receiving a service retirement allowance or a vested  
11 allowance and who is reemployed by a participating employer may not receive  
12 creditable service or eligibility service during the period of reemployment.

13           (d)     The individual's compensation during the period of reemployment may not  
14 be subject to the employer pickup provisions of § 21-303 of this article or any  
15 reduction or deduction as a member contribution for pension or retirement purposes.

16           (e)     The State Retirement Agency shall institute appropriate reporting  
17 procedures with the affected payroll systems to ensure compliance with this section.

18           (f)     (1)     Immediately on the employment of any individual receiving a service  
19 retirement allowance or a vested allowance, a participating employer shall notify the  
20 State Retirement Agency of the type of employment and the anticipated earnings of  
21 the individual.

22                   (2)     At least once each year, in a format specified by the State Retirement  
23 Agency, each participating employer shall provide the State Retirement Agency with  
24 a list of all employees included on any payroll of the employer, the Social Security  
25 numbers of the employees, and their earnings for that year.

26           (g)     The county boards of education shall notify the State Retirement Agency of  
27 any retired teachers who qualify under subsection (b)(1)(iii) of this section or any  
28 personnel who qualify under subsection (b)(1)(iv) of this section.

29           (h)     The State Board of Education shall notify the county boards of education  
30 of:

31                   (1)     any public school that is recommended for reconstitution or has been  
32 reconstituted;

33                   (2)     any public school that is no longer recommended for reconstitution or  
34 is otherwise found to meet the standards for school performance set by the State  
35 Board of Education after reconstitution or a recommendation for reconstitution;

36                   (3)     any county or subject area on a statewide basis in which the State  
37 Board of Education finds there is a shortage of teachers; and

1           (4)       a finding that there is no longer a shortage of teachers in a county or  
2 subject area on a statewide basis.

3       (i)       In addition to any regulations adopted in accordance with § 6-202 of the  
4 Education Article, the State Board of Education shall adopt regulations concerning  
5 the employment terms of retired teachers and personnel described in subsection  
6 (b)(1)(iv) of this section.

7       (J)       IF THE RETIREE'S LAST ASSIGNMENT PRIOR TO RETIREMENT WAS IN A  
8 POSITION DIRECTLY SUPERVISING PRINCIPALS AS PROVIDED UNDER SUBSECTION  
9 (B)(1)(VI) OF THIS SECTION, THE COUNTY BOARDS OF EDUCATION SHALL VERIFY FOR  
10 THE STATE RETIREMENT AGENCY THE RETIREE'S EMPLOYMENT AS A SUPERVISOR  
11 AND A PRINCIPAL.

12       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 July 1, 2001.